

HELPFUL ABBOTT PROVIDER BUDGET EQUATIONS

CALCULATING YOUR ADMINISTRATIVE COST PERCENTAGE

To determine whether your budgeted **administrative** costs for 2002-2003 exceed the **20 percent** cap for existing providers or the **15 percent** cap for new providers, use the following formula:

$$\% \text{ Administrative Cost} = \frac{\text{Administrative Cost Subtotal}}{\text{Instructional Cost Subtotal} + \text{Support Cost Subtotal} + \text{Administrative Cost Subtotal} + \text{Indirect Cost Subtotal}} * 100$$

which is equivalent to:

$$\% \text{ Administrative Cost} = \frac{\text{Administrative Cost Subtotal}}{\text{Total Cost}} * 100$$

CALCULATING YOUR INDIRECT COST PERCENTAGE

To determine whether your budgeted **indirect** costs for 2002-2003 exceed the **12 percent** cap for existing providers or the **8 percent** cap for new providers, use the following formula:

$$\% \text{ Indirect Cost} = \frac{\text{Indirect Cost Subtotal}}{\text{Instructional Cost Subtotal} + \text{Support Cost Subtotal} + \text{Administrative Cost Subtotal} + \text{Indirect Cost Subtotal}} * 100$$

which is equivalent to:

$$\% \text{ Indirect Cost} = \frac{\text{Indirect Cost Subtotal}}{\text{Total Cost}} * 100$$